

HOUSE BILL NO. 35

INTRODUCED BY S. DICKENSON

BY REQUEST OF THE ENVIRONMENTAL QUALITY COUNCIL

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A REVOLVING LOAN PROGRAM TO FINANCE MACHINERY AND EQUIPMENT USED FOR RECYCLING; PROVIDING THAT MOTOR VEHICLE RECYCLING AND DISPOSAL PROGRAM FUNDS BE DEPOSITED IN A REVOLVING LOAN ACCOUNT; GRANTING RULEMAKING AUTHORITY; ESTABLISHING OUTCOME MEASURES; AMENDING SECTION 75-10-532, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Recycling equipment revolving loan program -- account. (1) There is a recycling equipment revolving loan program to be administered by the department of environmental quality.

(2) There is a state special revenue account called the recycling equipment revolving loan account to the credit of the department.

(3) The recycling equipment revolving loan account consists of \$1 million deposited into the account from the motor vehicle recycling and disposal program pursuant to 75-10-532 and money from any other source. Any interest and income earned on the account and any interest that is generated from a loan repayment must be deposited into the account and used to sustain the recycling equipment revolving loan program. Any appropriated funds in the account that are not loaned must remain in the account.

(4) Funds from the recycling equipment revolving loan account may be used to provide loans to private entities, units of local government, units of the university system, tribal governments, and nonprofit organizations to assist in the purchase of machinery and equipment used to increase the diversion of solid waste from Montana landfills and to expand recycling opportunities.

(5) The amount of a loan may not exceed \$50,000, and the loan must be repaid within 10 years.

NEW SECTION. Section 2. Administration of revolving loan account -- rulemaking authority. (1) The department of environmental quality shall adopt rules establishing:

(a) eligibility criteria and other matters that the department considers necessary to ensure repayment of

1 loans and to encourage maximum use of the account for recycling uses;

2 (b) processes and procedures for disbursing loans, including the agencies or organizations that are
3 allowed to process the loan application for the department; and

4 (c) terms and conditions for the loans, including repayment schedules and interest rates.

5 (2) Administrative costs charged to the account may not exceed 10% of the total loans or \$75,000 a year,
6 whichever is greater. Legal fees and costs associated with collection of debt on the principal of loans are not
7 considered administrative costs.

8 (3) The loan repayment period may not exceed 10 years. The loans must be made at a low interest rate.
9 The department may set the interest rate at an amount that will cover its administrative costs, but the rate may
10 not be less than 1% a year. The department may seek recovery of the amount of principal loaned in the event
11 of default.

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13 **NEW SECTION.** **Section 3. Outcome measures.** The department of environmental quality shall
14 develop reasonable outcome measures by which the success of the recycling equipment revolving loan program
15 provided for in [sections 1 through 3] must be measured on an annual basis. Minimal outcomes that must be
16 measured include:

17 (1) a loan loss ratio of under 5%;

18 (2) a listing of the loans made, including the amounts and purposes of the loans;

19 (3) an assessment of the impact of the loans on the amount and type of recycling in the local area where
20 the loan was made; and

21 (4) an estimate of the amount of material diverted from the landfill because of the loan for the 3 years
22 following disbursement of the loan.

23
24 **Section 4.** Section 75-10-532, MCA, is amended to read:

25 **"75-10-532. Disposition of money collected.** (1) Except as provided in subsection (2), All money
26 received from the sale of junk vehicles or from recycling of the material and all motor vehicle wrecking facility
27 license fees must be remitted to the state, as provided in 15-1-504. The money must be used for the control,
28 collection, recycling, and disposal of junk vehicles and component parts and for the removal of abandoned
29 vehicles.

30 (2) For the 2009 biennium, \$1 million must be transferred to the recycling equipment revolving loan

1 account established in [section 1]."

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3 NEW SECTION. Section 5. Notification to tribal governments. The secretary of state shall send a
4 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
5 Chippewa tribe.

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7 NEW SECTION. Section 6. Codification instruction. [Sections 1 through 3] are intended to be codified
8 as an integral part of Title 75, and the provisions of Title 75 apply to [sections 1 through 3].

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10 NEW SECTION. Section 7. Effective date. [This act] is effective July 1, 2009.

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